

RESOLUTION 11-01

**A Resolution of the
MICHIGAN CIVIL SERVICE COMMISSION
Regarding Group Insurance Plans for NEREs**

The State Health Plan Group Insurance Plan for non-exclusively represented employees (NEREs) is amended by adding the following eligibility language, effective October 1, 2011:

- A. Where the employee does not have a spouse eligible for enrollment in the State Health Plan, the Plan shall be amended to allow a participating employee to enroll one Other Eligible Adult Individual (OEAI), as set forth below:
- B. To be eligible, the OEAI must meet the following criteria:
 - 1. Be at least 18 years old.
 - 2. Not be a member of the employee's immediate family as defined as employee's spouse, children, parents, grandparents or foster parents, grandchildren, parents-in-law, brothers, sisters, aunts, uncles, or cousins.
 - 3. Have jointly shared the same regular and permanent residence for at least 12 continuous months, and continue to share a common residence with the employee other than as a tenant, boarder, renter, or employee.
- C. Dependent children of an OEAI may enroll under the same conditions that apply to dependent children of employees.
- D. To establish that the criteria have been met, the employer will require the employee and OEAI to sign an affidavit setting forth facts constituting that the above requirements are met.

E. The premium rates are as follows:

1. Employee and OEAI: Same as Employee & Spouse Rate.
2. Employee, OEAI, and dependent children of OEAI: Same as Full Family Rate

F. OEAI's and dependent children of OEAI's are not eligible to continue State Health Plan coverage under COBRA/CGIS.

APPROVED BY THE CIVIL SERVICE COMMISSION
January __, 2011

LETTER OF UNDERSTANDING
ARTICLE 24, SECTION A
Scientific and Engineering Unit

GROUP INSURANCES

Where the employee does not have a spouse eligible for enrollment in the State Health Plan, the Plan shall be amended to allow a participating employee to enroll one Other Eligible Adult Individual, as set forth below:

To be eligible, the Individual must meet the following criteria:

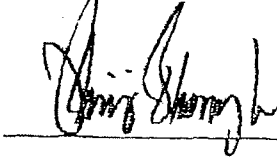
1. Be at least 18 years of age.
2. Not be a member of the employee's immediate family as defined as employee's spouse, children, parents, grandparents or foster parents, grandchildren, parents-in-law, brothers, sisters, aunts, uncles or cousins.
3. Have jointly shared the same regular and permanent residence for at least 12 continuous months, and continues to share a common residence with the employee other than as a tenant, boarder, renter or employee.

Dependents and children of an Other Eligible Adult Individual may enroll under the same conditions that apply to dependents and children of employees.

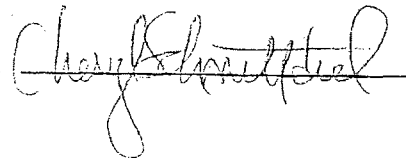
In order to establish that the criteria have been met, the employer will require the employee and Other Eligible Adult Individual to sign an Affidavit setting forth the facts which constitute compliance with those requirements.

For the Union

For the Employer



12/21/10
date



12-28-10
date

LETTER OF UNDERSTANDING
ARTICLE 22, SECTION 2
Human Services Support Unit

GROUP INSURANCES

Where the employee does not have a spouse eligible for enrollment in the State Health Plan, the Plan shall be amended to allow a participating employee to enroll one Other Eligible Adult Individual, as set forth below:

To be eligible, the Individual must meet the following criteria:

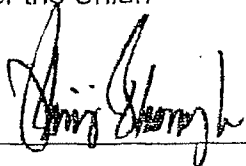
1. Be at least 18 years of age.
2. Not be a member of the employee's immediate family as defined as employee's spouse, children, parents, grandparents or foster parents, grandchildren, parents-in-law, brothers, sisters, aunts, uncles or cousins.
3. Have jointly shared the same regular and permanent residence for at least 12 continuous months, and continues to share a common residence with the employee other than as a tenant, boarder, renter or employee.

Dependents and children of an Other Eligible Adult Individual may enroll under the same conditions that apply to dependents and children of employees.

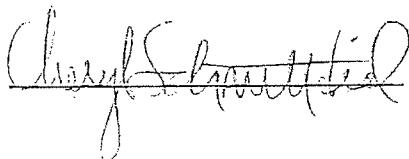
In order to establish that the criteria have been met, the employer will require the employee and Other Eligible Adult Individual to sign an Affidavit setting forth the facts which constitute compliance with those requirements.

For the Union

For the Employer



12/21/10
date



12-28-10
date

LETTER OF UNDERSTANDING
ARTICLE 26, SECTION 1
Technical Unit

GROUP INSURANCES

Where the employee does not have a spouse eligible for enrollment in the State Health Plan, the Plan shall be amended to allow a participating employee to enroll one Other Eligible Adult Individual, as set forth below:

To be eligible, the Individual must meet the following criteria:

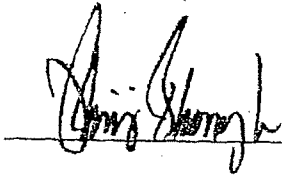
1. Be at least 18 years of age.
2. Not be a member of the employee's immediate family as defined as employee's spouse, children, parents, grandparents or foster parents, grandchildren, parents-in-law, brothers, sisters, aunts, uncles or cousins.
3. Have jointly shared the same regular and permanent residence for at least 12 continuous months, and continues to share a common residence with the employee other than as a tenant, boarder, renter or employee.

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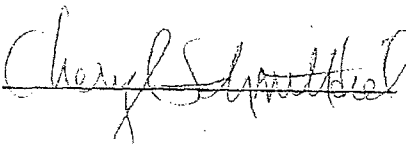
In order to establish that the criteria have been met, the employer will require the employee and Other Eligible Adult Individual to sign an Affidavit setting forth the facts which constitute compliance with those requirements.

For the Union

For the Employer



12/21/10
date



12-28-10
date

LETTER OF UNDERSTANDING
ARTICLE 43, SECTION C
Administrative Support and Human Services Units

GROUP INSURANCES

Where the employee does not have a spouse eligible for enrollment in the State Health Plan, the Plan shall be amended to allow a participating employee to enroll one Other Eligible Adult Individual, as set forth below:

To be eligible, the Individual must meet the following criteria:

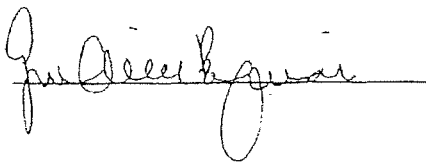
1. Be at least 18 years of age.
2. Not be a member of the employee's immediate family as defined as employee's spouse, children, parents, grandparents or foster parents, grandchildren, parents-in-law, brothers, sisters, aunts, uncles or cousins.
3. Have jointly shared the same regular and permanent residence for at least 12 continuous months, and continues to share a common residence with the employee other than as a tenant, boarder, renter or employee.

Dependents and children of an Other Eligible Adult Individual may enroll under the same conditions that apply to dependents and children of employees.

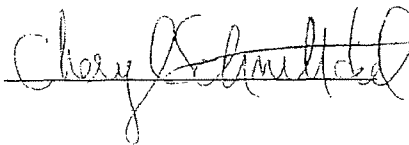
In order to establish that the criteria have been met, the employer will require the employee and Other Eligible Adult Individual to sign an Affidavit setting forth the facts which constitute compliance with those requirements.

For the Union

For the Employer



12/21/10
date



12-28-10
date



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

February 17, 2011

Ladies and Gentlemen of the Legislature and Citizens of the State of Michigan:

Article XI, Section 5 of the Michigan Constitution of 1963 provides that increases in rates of compensation for employees in the state classified service authorized by the Civil Service Commission require prior notice to the Governor. The Constitution also requires that I, as Governor, transmit such increases to the Legislature as part of my budget recommendation. With this letter I am officially transmitting two compensation adjustments for your review.

First, the attached cost summary prepared by the Office of the State Employer details a 2 percent general increase negotiated in 2010 with the Michigan State Police Enlisted unit. I fully support this adjustment.

Secondly, on January 26, 2011, the Civil Service Commission approved Other Eligible Adult Individual benefits for employees represented by the United Auto Workers and the Service Employees International Union Local 517M, as well as nonexclusively represented state classified employees. The Office of the State Employer estimates Fiscal Year 2012 expenses of \$8 million as a result of this adjustment.

The Constitution provides that the Michigan Legislature may, by a two-thirds vote of the members elected to and serving in each house, reject or reduce a Civil Service Commission compensation adjustment within 60 calendar days of transmission by the Governor. **I urge the Legislature to exercise this right and reject the extension of health care benefits to the unrelated live-in companions of state employees and their dependents.**

Sincerely,

Rick Snyder
Governor

Attachment

Summary
Michigan State Classified Service
Fiscal Year 2012
(10/01/2011 - 9/30/2012)

	A-02 MSEA Saf. & Reg. ¹	A-31 MSEA Labor & Trades ¹	C-12 MCO Security ¹	E-42 SEIU 517M Human Srv. Support ¹	H-21 SEIU 517M Scientific & Engineering ¹	L-32 SEIU 517M Technical ¹	T-01 MSPTA State Police Enlisted ²	U-11 AFSCME Institutional ¹	W-22 UAW Human Srv. ¹	W-41 UAW Admin. Supt. ¹	MSC's & NERE's ¹	TOTAL ALL UNITS
³ Number of FTEs	1,108	1,950	7,879	939	2,063	881	1,484	1,898	9,710	5,887	12,972	46,553
Base Pay Increase 10/01/11 \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,883,944	\$ -	\$ -	\$ -	\$ -	\$ 1,883,944
Additional Roll-up Cost Resulting from Base Pay Increase	-	-	-	-	-	-	-	-	-	-	-	-
⁴ FICA/Rat. Blended Rates	-	-	-	-	-	-	80.02%	-	-	-	-	-
⁴ FICA/Rat. on Base Wage Increase	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,130,743	\$ -	\$ -	\$ -	\$ -	\$ -
⁵ Life Insurance Increase	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,573	\$ -	\$ -	\$ -	\$ -	\$ -
⁶ Long Term Disability Increase	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,332	\$ -	\$ -	\$ -	\$ -	\$ -
⁷ Overtime Increase	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,048	\$ -	\$ -	\$ -	\$ -	\$ -
⁸ Shift Differential Increase	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,907	\$ -	\$ -	\$ -	\$ -	\$ -
FICA/RET on OT and Shift Diff. Inc.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,816	\$ -	\$ -	\$ -	\$ -	\$ -
FY 2012 ATB Cost Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,393,364	\$ -	\$ -	\$ -	\$ -	\$ 3,393,364
⁹ FY 2012 OEAI Coverage	\$ -	\$ -	\$ -	\$ 311,499	\$ 379,381	\$ 182,712	\$ -	\$ -	\$ 2,788,263	\$ 1,514,592	\$ 2,723,553	\$ 8,000,000
FY 2012 Compensation Increases	\$ -	\$ -	\$ -	\$ 311,499	\$ 379,381	\$ 182,712	\$ 3,393,364	\$ -	\$ 2,788,263	\$ 1,514,592	\$ 2,723,553	\$ 11,393,364

¹ A wage adjustment is not scheduled for FY 2012.

² T01 is scheduled to receive a 2% wage increase in FY12 on 10/1/11.

³ Business Objects HR Human Resource System count of classified employees under status code of AA, AB, AC, AD, AE & AP as of 1/22/2011.

⁴ FICA/RET rates for FY 2011 provided by SBO. Unit rates are weighted by enrollment in each retirement code via Business Objects HR Human Resource System count of classified employees under status code of AA, AB, AC, AD, AE & AP as of 1/22/2011.

⁵ Life insurance increase on incremental cost increase. Annual \$5.48 per \$1000 of extra coverage (FY 2011 rate).

⁶ FY 2011 rate - (Increase/100)*.92.

⁷ Based on FY 2010 overtime amount with FY11 (1%) - Comptroller Object Codes 3050, 3055, 3060, 3070, 3075, 3080, 3110, 3115, 3120.

⁸ Business Objects HR Human Resource System FY 2010 shift differential hours of classified employees under status code of AA, AB, AC, AD, AE & AP.

⁹ First year estimated cost of \$8 million. However, unable to find any other program with comparable definition and coverage of Other Eligible Adult Individual and dependents so no model is available. Does not take into account adverse selection or other factors that may influence cost. Does not include unknown cost of administration and enforcement. Participation rates are expected to increase year to year.

